



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS  
AUDIT EXAMINATION OF THE  
CALDWELL COUNTY FISCAL COURT**

**Fiscal Year Ended June 30, 2001**

**EDWARD B. HATCHETT, JR.  
AUDITOR OF PUBLIC ACCOUNTS  
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## **EXECUTIVE SUMMARY**

### **AUDIT EXAMINATION OF THE CALDWELL COUNTY FISCAL COURT**

**Fiscal Year Ended June 30, 2001**

The Auditor of Public Accounts has completed the Caldwell County Fiscal Court audit for fiscal year ended June 30, 2001. We have issued an unqualified opinion on the financial statements taken as a whole. Based upon the audit work performed, the financial statements are presented fairly in all material respects.

#### **Financial Condition:**

Cash balances increased by \$247,235 from the beginning of the year, resulting in a cash surplus of \$1,111,914 as of June 30, 2001.

#### **Debt Obligations:**

Total bond debt principal as of June 30, 2001, was \$2,975,000. Future collections of \$5,195,702 are needed over the next 23 years to pay all bond debt principal and interest.

Capital lease principal agreements totaled \$1,006,481 as of June 30, 2001. Future collections of \$1,302,586 are needed to meet these obligations.



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**EDWARD B. HATCHETT, JR.**  
**AUDITOR OF PUBLIC ACCOUNTS**

To the People of Kentucky  
Honorable Paul E. Patton, Governor  
T. Kevin Flanery, Secretary  
Finance and Administration Cabinet  
Dana Mayton, Secretary, Revenue Cabinet  
Honorable Van Knight, Caldwell County Judge/Executive  
Members of the Caldwell County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of assets, liabilities, and fund balances arising from cash transactions of Caldwell County, Kentucky, as of June 30, 2001, and the related statement of cash receipts, cash disbursements, and changes in cash balances for the year then ended. These financial statements are the responsibility of the Caldwell County Fiscal Court. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, Caldwell County, Kentucky, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the modified cash basis and laws of Kentucky, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The modified cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balances arising primarily from cash transactions as of June 30, 2001 of Caldwell County, Kentucky, and the revenues received and expenditures paid for the year then ended, in conformity with the modified cash basis of accounting.

To the People of Kentucky  
Honorable Paul E. Patton, Governor  
T. Kevin Flanery, Secretary  
Finance and Administration Cabinet  
Dana Mayton, Secretary, Revenue Cabinet  
Honorable Van Knight, Caldwell County Judge/Executive  
Members of the Caldwell County Fiscal Court

In accordance with Government Auditing Standards, we have also issued our report dated June 3, 2002 on our consideration of Caldwell County, Kentucky's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The accompanying financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Caldwell County, Kentucky. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a horizontal line extending from the end of the signature.

Edward B. Hatchett, Jr.  
Auditor of Public Accounts

Audit fieldwork completed -  
June 3, 2002



CALDWELL COUNTY OFFICIALS

Fiscal Year Ended June 30, 2001

**Fiscal Court Members:**

Van Knight	County Judge/Executive
Sandy Boaz	Magistrate
Ophelia Tinsley	Magistrate
Ricky Cartwright	Magistrate
George Kilgore	Magistrate

**Other Elected Officials:**

James Miller	County Attorney
Jim Blackburn	Jailer
Toni Watson	County Clerk
Jo Ann Newsom	Circuit Court Clerk
Stan Hudson	Sheriff
James Wallace	Property Valuation Administrator
Eddie Pennington	Coroner

**Appointed Personnel:**

Connie Cartwright	County Treasurer
Joyce Gilkey	Occupational Tax Collector
Betty Holt	Finance Officer

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STATEMENT OF ASSETS, LIABILITIES,  
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

CALDWELL COUNTY  
STATEMENT OF ASSETS, LIABILITIES,  
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

June 30, 2001

Assets and Other Resources

Assets

General Fund Type

General Fund:		
Cash	\$	300,128
Road and Bridge Fund:		
Cash		352,832
Jail Fund:		
Cash		5,160
Local Government Economic Assistance Fund:		
Cash		569
Ambulance Fund:		
Cash		216
Occupational Tax Fund:		
Cash		450,624
Payroll Revolving Account - Cash	872	\$ 1,110,401

Debt Service Fund Type

Voted Hospital Bond Fund (Series 1976):	
Cash	2,385

Other Resources

General Fund Type

General Fund:	
Amounts to be Provided in Future Years for General Obligation	
Bond Principal Payments (Note 4)	\$ 2,975,000
Amounts to be Provided in Future Years for KaCoLT	
Capital Lease Principal Obligations (Note 5A)	149,000
Local Government Economic Assistance Fund:	
Amounts to be Provided in Future Years for KaCoLT	
Capital Lease Principal Obligations (Note 5B)	466,281

The accompanying notes are an integral part of the financial statements.

CALDWELL COUNTY  
 STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES  
 ARISING FROM CASH TRANSACTIONS  
 June 30, 2001  
 (Continued)

Assets and Other Resources (Continued)

Other Resources (Continued)

General Fund Type (Continued)

Occupational Tax Fund:

Amounts to be Provided in Future Years for KaCoLT

Capital Lease Principal Obligations (Note 5C) \$ 224,000

Amounts to be Provided in Future Years for KADD

Capital Lease Principal Obligations (Note 5D) 167,200 \$ 3,981,481

Total Assets and Other Resources \$ 5,094,267

Liabilities and Fund Balances

Liabilities

General Fund Type

General Fund:

General Obligation Refunding Bonds-

Bond Principal Not Matured (Note 4) \$ 2,975,000

KaCoLT Capital Lease Principal Obligations-

Courthouse Annex (Note 5A) 149,000

Local Government Economic Assistance Fund:

KaCoLT Capital Lease Principal Obligations-

Economic Speculation Building (Note 5B) 466,281

Occupational Tax Fund:

KaCoLT Capital Lease Principal Obligations-

Ambulance Service Building (Note 5C) 224,000

KADD Capital Lease Principal Obligations-

Fire Truck (Note 5D) 167,200

Payroll Revolving Account 872 \$ 3,982,353

Debt Service Fund Type

Voted Hospital Bond Fund (Series 1976):

Interest Matured and Unpresented 2,385

The accompanying notes are an integral part of the financial statements.

CALDWELL COUNTY  
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES  
ARISING FROM CASH TRANSACTIONS  
June 30, 2001  
(Continued)

Liabilities and Fund Balances (Continued)

Fund Balances

Unreserved:

General Fund Type

General Fund	\$	300,128	
Road and Bridge Fund		352,832	
Jail Fund		5,160	
Local Government Economic Assistance Fund		569	
Ambulance Fund		216	
Occupational Tax Fund		450,624	\$ 1,109,529
Total Liabilities and Fund Balances			<u>\$ 5,094,267</u>

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CASH RECEIPTS,  
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

CALDWELL COUNTY  
STATEMENT OF CASH RECEIPTS,  
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

Fiscal Year Ended June 30, 2001

	General Fund Type			
	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Cash Receipts</u>				
Schedule of Operating Revenue	\$ 3,573,769	\$ 1,271,609	\$ 915,960	\$ 136,514
Transfers In	732,726	340,000		230,000
Kentucky Advance Revenue Program	614,300	404,900	209,400	
Total Cash Receipts	<u>\$ 4,920,795</u>	<u>\$ 2,016,509</u>	<u>\$ 1,125,360</u>	<u>\$ 366,514</u>
<u>Cash Disbursements</u>				
Comparative Schedule of Final Budget and Budgeted Expenditures	\$ 3,177,015	\$ 1,092,830	\$ 899,607	\$ 329,428
Transfers Out	732,726	230,016		40,000
Capital Leases-				
Principal Paid	79,519	12,000		
Bonds:				
Principal Paid	70,000	70,000		
Kentucky Advance Revenue Program Repaid	614,300	404,900	209,400	
Total Cash Disbursements	<u>\$ 4,673,560</u>	<u>\$ 1,809,746</u>	<u>\$ 1,109,007</u>	<u>\$ 369,428</u>
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	\$ 247,235	\$ 206,763	\$ 16,353	\$ (2,914)
Cash Balance - July 1, 2000	<u>864,679</u>	<u>93,365</u>	<u>336,479</u>	<u>8,074</u>
Cash Balance - June 30, 2001	<u><u>\$ 1,111,914</u></u>	<u><u>\$ 300,128</u></u>	<u><u>\$ 352,832</u></u>	<u><u>\$ 5,160</u></u>

The accompanying notes are an integral part of the financial statements.



CALDWELL COUNTY  
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCES  
Fiscal Year Ended June 30, 2001  
(Continued)

General Fund Type			Special Revenue Fund Type	Debt Service Fund Type
Local Government Economic Assistance Fund	Ambulance Fund	Occupational Tax Fund	Community Development Block Grant Fund	Voted Hospital Bond Fund
\$ 240,783	\$ 130,966 162,726	\$ 875,437	\$ 2,500	\$
<u>\$ 240,783</u>	<u>\$ 293,692</u>	<u>\$ 875,437</u>	<u>\$ 2,500</u>	<u>\$ 0</u>
 \$ 220,645	 \$ 293,590	 \$ 338,415 462,710	 \$ 2,500	 \$
 33,719		 33,800		
 <u>\$ 254,364</u>	 <u>\$ 293,590</u>	 <u>\$ 834,925</u>	 <u>\$ 2,500</u>	 <u>\$ 0</u>
 \$ (13,581) 14,150	 \$ 102 114	 \$ 40,512 410,112	 \$ 0	 \$ 0 2,385
<u>\$ 569</u>	<u>\$ 216</u>	<u>\$ 450,624</u>	<u>\$ 0</u>	<u>\$ 2,385</u>

The accompanying notes are an integral part of the financial statements.

CALDWELL COUNTY  
NOTES TO FINANCIAL STATEMENTS

June 30, 2001

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of Caldwell County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Based upon the application of the criteria stated in GASB 14, there are no component units which merit consideration as part of the reporting entity.

Additional - Caldwell County Constitutional Elected Officials

- Circuit Court Clerk
- County Attorney
- County Clerk
- County Sheriff
- Property Valuation Administrator

The Kentucky constitution provides for election of the above officials from the geographic area constituting Caldwell County. Pursuant to state statute, these officials perform various services for the Commonwealth of Kentucky, its judicial courts, the fiscal court, various cities and special districts within the county, and the board of education. In exercising these responsibilities, however, they are required to comply with state laws. Audits of their financial statements are issued separately and individually and can be obtained from their respective administrative offices.

B. Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The government uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Caldwell County Fiscal Court's Fund Types, a definition of each, and county funds included within each fund type are listed below.

1) General Fund Type

General Fund Type accounts for all financial resources except those required to be accounted for in another fund type. The Caldwell County General Fund Type includes the following county funds: General Fund, Road and Bridge Fund, Jail Fund, Local Government Economic Assistance Fund, Ambulance Fund, and Occupational Tax Fund.

CALDWELL COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2001  
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

B. Fund Accounting (Continued)

2) Special Revenue Fund Type

Special Revenue Fund Type accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for the specified purpose. The Community Development Block Grant Fund of the Fiscal Court is reported as a Special Revenue Fund Type.

3) Debt Service Fund Type

Debt Service Fund Type accounts for the accumulation of resources for the payment of general long-term debt principal and interest and includes funds for the Voted Hospital Bond Fund.

C. Basis of Accounting

For all fund types, the county utilizes a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this basis of accounting, assets, liabilities, and related revenues and expenditures are recorded when they result from cash transactions, with a few exceptions. This modified cash basis recognizes revenues when received, except for the recording of long-term receivables and deferred revenue. Expenditures are recognized when paid, except for the recording of long-term obligations and amounts to be provided in future years.

D. Legal Compliance - Budget

The Caldwell County budget is adopted on a cash basis of accounting and according to the laws of Kentucky as required by the State Local Finance Officer. The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

E. Cash and Investments

Cash includes amounts in bank accounts, and investments are stated at cost.

CALDWELL COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2001  
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

E. Cash and Investments (Continued)

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

F. Related Organizations

A related organization is an entity for which a primary government is not financially accountable. It does not impose will or have a financial benefit or burden relationship, even if the primary government appoints a voting majority of the related organization's governing board. Based on these criteria, the following are considered related organizations of Caldwell County Fiscal Court: Princeton-Caldwell County Industrial Development Authority and Pennyriple Emergency Assistance Center.

Note 2. Employee Retirement System

The county has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system which covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 7.17 percent.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is present in the Kentucky Retirement Systems' annual financial report.

Note 3. Deposits

The county maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the county and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution.

CALDWELL COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2001  
(Continued)

Note 3. Deposits (Continued)

These requirements were met, and as of June 30, 2001, the county's deposits were fully insured or collateralized at a 100% level with collateral of either pledged securities held by the county's agent in the county's name, or provided surety bond which named the county as beneficiary/obligee on the bond.

Note 4. Long-Term Debt

General Obligation Refunding Bonds, Series 1999

On June 30, 1999 the Caldwell County Fiscal Court issued General Obligation Refunding Bonds, Series 1999 in the amount of \$3,175,000 for the purpose of refunding Series 1996 bonds. Interest on the bonds is payable each January 1 and July 1, beginning January 1, 2000. The bonds were issued in principal amounts of \$5,000 and integral multiples thereof and mature at various dates beginning January 1, 2000 through January 1, 2024. The bonds are subject to redemption prior to maturity.

Bonds and interest outstanding as of June 30, 2001:

<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>
2002	\$ 153,703	\$ 70,000
2003	150,728	75,000
2004	147,390	80,000
2005	143,830	80,000
2006	140,150	85,000
2007-2024	<u>1,484,901</u>	<u>2,585,000</u>
Totals	<u>\$ 2,220,702</u>	<u>\$ 2,975,000</u>

Note 5. Lease Agreements

The county has entered into the following lease agreements:

A. Courthouse Annex

On February 15, 1995, the Caldwell County Fiscal Court borrowed \$215,000 from Kentucky Association of Counties Leasing Trust Program (KACoLT) for the construction of the courthouse annex. The terms of the lease agreement are 12 yearly principal payments and monthly interest payments. The interest rate is 5.82%. The principal balance at June 30, 2000 was \$149,000. Future debt requirements are as follows:

CALDWELL COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2001  
(Continued)

Note 5. Lease Agreements (Continued)

A. Courthouse Annex (Continued)

<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>
2002	\$ 9,639	\$ 13,000
2003	8,766	13,000
2004	7,838	15,000
2005	6,804	16,000
2006	4,559	17,000
2007-2010	11,932	75,000
Totals	<u>\$ 49,538</u>	<u>\$ 149,000</u>

B. Economic Speculation Building

On May 16, 2000, the Caldwell County Fiscal Court borrowed \$500,000 from Kentucky Association of Counties Leasing Trust Program (KACoLT) for the purchase of an economic speculation building. The terms of the lease agreement are 10 yearly principal payments and 120 monthly interest payments. The interest rate is 4.76%. The principal balance at June 30, 2001 was \$466,281. Future debt requirements are as follows:

<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>
2002	\$ 26,322	\$ 45,798
2003	23,649	48,021
2004	20,942	50,352
2005	18,102	52,797
2006	15,125	55,360
2007-2010	27,733	213,953
Totals	<u>\$ 131,873</u>	<u>\$ 466,281</u>

C. Ambulance Service Building

On April 12, 1996, the Caldwell County Fiscal Court borrowed \$300,000 from Kentucky Association of Counties Leasing Trust Program (KACoLT) for the construction of an ambulance service building. The terms of the lease agreement are 15 yearly principal payments and 180 monthly interest payments. The interest rate is 5.37%.

CALDWELL COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2001  
(Continued)

Note 5. Lease-Purchase Agreements (Continued)

C. Ambulance Service Building (Continued)

The principal balance at June 30, 2001 was \$224,000. Future debt requirements are as follows:

<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>
2002	\$ 13,800	\$ 18,000
2003	12,626	19,000
2004	11,388	20,000
2005	10,087	21,000
2006	8,722	22,000
2007-2010	20,927	124,000
Totals	<u>\$ 77,550</u>	<u>\$ 224,000</u>

D. Fire Truck

On April 5, 1999, the Caldwell County Fiscal Court borrowed \$200,000 from Kentucky Area Development District Leasing Fund (KADD) for the purchase of a fire truck. The interest rate is 4.96% with semi-annual payments due on May 20<sup>th</sup> and November 20<sup>th</sup> for 10 years. The principal balance at June 30, 2001 was 167,200. Future debt requirements are as follows:

<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>
2002	\$ 8,077	\$ 17,600
2003	7,192	18,600
2004	6,260	19,400
2005	5,285	20,400
2006	4,261	21,500
2007-2009	6,069	69,700
Totals	<u>\$ 37,144</u>	<u>\$ 167,200</u>

Note 6. Insurance

For the fiscal year ended June 30, 2001, Caldwell County was a member of the Kentucky Association of Counties' All Lines Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of a collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

CALDWELL COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2001  
(Continued)

Note 7. Jail Canteen Fund

The canteen operations are authorized pursuant to KRS 441.135(1), which allows the jailer to sell snacks, sodas, and other items to inmates. The profits generated from the sale of those items are to be used for the benefit or recreation of the inmates. KRS 441.135(2) requires the jailer to maintain accounting records and report annually to the county treasurer the receipts and disbursements of the Jail Canteen. Technical Audit Bulletin 93-002 provides additional accounting and expenditure guidance for acceptable jail canteen operations.

The Caldwell County Jail Canteen Fund had a beginning balance of \$12,233, with income of \$18,113, less cost of goods sold of \$17,579 and other expenses of \$1,466, leaving an ending balance of \$11,301 as of June 30, 2001. All profit expenditures were for the benefit and/or recreation of the inmates.



COMPARATIVE SCHEDULE OF  
BUDGETED TO ACTUAL OPERATING REVENUE



CALDWELL COUNTY  
COMPARATIVE SCHEDULE OF  
BUDGETED TO ACTUAL OPERATING REVENUE

Fiscal Year Ended June 30, 2001

<u>Budgeted Funds</u>	<u>Budgeted Operating Revenue</u>	<u>Actual Operating Revenue</u>	<u>Over (Under) Budget</u>
<u>General Fund Type</u>			
General Fund	\$ 1,211,141	\$ 1,271,609	\$ 60,468
Road and Bridge Fund	748,055	915,960	167,905
Jail Fund	108,273	136,514	28,241
Local Government Economic Assistance Fund	729,449	240,783	(488,666)
Ambulance Fund	130,920	130,966	46
Occupational Tax Fund	678,000	875,437	197,437
<u>Special Revenue Fund Type</u>			
Community Development Block Grant Fund	<u>240,000</u>	<u>2,500</u>	<u>(237,500)</u>
Totals	<u>\$ 3,845,838</u>	<u>\$ 3,573,769</u>	<u>\$ (272,069)</u>

Reconciliation

Total Budgeted Operating Revenue Above	\$ 3,845,838
Add: Budgeted Prior Year Surplus	603,230
Less: Other Financing Uses	
Bonds:	
Principal Paid	(70,000)
Capital Lease Agreement - Principal	
Courthouse Annex	(12,000)
Economic Speculation Building	(33,719)
Ambulance	(17,000)
Fire Truck	(16,800)
Total Operating Budget Per Comparative Schedule	
Of Final Budget and Budgeted Expenditures	<u>\$ 4,299,549</u>

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SCHEDULE OF OPERATING REVENUE



CALDWELL COUNTY  
SCHEDULE OF OPERATING REVENUE

Fiscal Year Ended June 30, 2001

Revenue Categories	GOVERNMENTAL FUND TYPES		
	Totals (Memorandum Only)	General Fund Type	Special Revenue Fund Type
Taxes	\$ 1,609,342	\$ 1,609,342	\$
In Lieu Tax Payments	28,799	28,799	
Excess Fees	22,521	22,521	
Licenses and Permits	3,426	3,426	
Intergovernmental Revenues	1,827,713	1,825,213	2,500
Charges for Services	5,723	5,723	
Miscellaneous Revenues	17,355	17,355	
Interest Earned	58,890	58,890	
Total Operating Revenue	<u>\$ 3,573,769</u>	<u>\$ 3,571,269</u>	<u>\$ 2,500</u>

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COMPARATIVE SCHEDULE OF  
FINAL BUDGET AND BUDGETED EXPENDITURES



CALDWELL COUNTY  
COMPARATIVE SCHEDULE OF  
FINAL BUDGET AND BUDGETED EXPENDITURES

Fiscal Year Ended June 30, 2001

GENERAL FUND TYPE			
Expenditure Categories	Final Budget	Budgeted Expenditures	Under (Over) Budget
General Government	\$ 708,550	\$ 731,977	\$ (23,427)
Protection to Persons and Property	596,560	682,455	(85,895)
General Health and Sanitation	149,800	140,122	9,678
Social Services	1,000	500	500
Recreation and Culture	73,300	45,000	28,300
Roads	585,924	821,182	(235,258)
Airports	5,000	18,546	(13,546)
Debt Service	692,935	220,340	472,595
Capital Projects	365,000	231,949	133,051
Administration	881,480	282,444	599,036
Total Operating Budget - General Fund Type	\$ 4,059,549	\$ 3,174,515	\$ 885,034
Other Financing Uses:			
Bonds:			
Principal Paid	70,000	70,000	
Capital Lease Agreement-			
Principal on Lease			
Courthouse Annex	12,000	12,000	
Economic Speculation Building	33,719	33,719	
Ambulance	17,000	17,000	
Fire Truck	16,800	16,800	
TOTAL BUDGET - GENERAL FUND TYPE	\$ 4,209,068	\$ 3,324,034	\$ 885,034
SPECIAL REVENUE FUND TYPE			
Expenditure Categories	Final Budget	Budgeted Expenditures	Under (Over) Budget
General Health and Sanitation	\$ 240,000	\$ 2,500	\$ 237,500
TOTAL BUDGET - SPECIAL REVENUE FUND TYPE	\$ 240,000	\$ 2,500	\$ 237,500

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS





**EDWARD B. HATCHETT, JR.**  
**AUDITOR OF PUBLIC ACCOUNTS**

To the People of Kentucky  
Honorable Paul E. Patton, Governor  
T. Kevin Flanery, Secretary  
Finance and Administration Cabinet  
Dana Mayton, Secretary, Revenue Cabinet  
Honorable Van Knight, Caldwell County Judge/Executive  
Members of the Caldwell County Fiscal Court

**Report On Compliance And On Internal Control  
Over Financial Reporting Based On An Audit Of Financial  
Statements Performed In Accordance With Government Auditing Standards**

We have audited the financial statements of Caldwell County, Kentucky, as of and for the year ended June 30, 2001, and have issued our report thereon dated June 3, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Caldwell County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Caldwell County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Report On Compliance And On Internal Control  
Over Financial Reporting Based On An Audit Of Financial  
Statements Performed In Accordance With Government Auditing Standards  
(Continued)

This report is intended solely for the information and use of management and is not intended to be, and should not be, used by anyone other than the specified party.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.  
Auditor of Public Accounts

Audit fieldwork completed -  
June 3, 2002



CERTIFICATION OF COMPLIANCE -  
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM

CALDWELL COUNTY FISCAL COURT

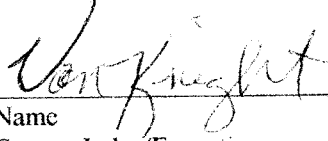
Fiscal Year Ended June 30, 2001




CERTIFICATION OF COMPLIANCE  
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM  
CALDWELL COUNTY FISCAL COURT

Fiscal Year Ended June 30, 2001

The Caldwell County Fiscal Court hereby certifies that assistance received from the Local Government Economic Assistance Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.

  
\_\_\_\_\_  
Name  
County Judge/Executive

  
\_\_\_\_\_  
Name  
County Treasurer